

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### DESERT PAPER & ENVELOPE

#### New Mexico Manufacturing Extension Partnership

#### Desert Paper And Envelope Smooths Operations By Implementing Lean

**Client Profile:**

Desert Paper and Envelope manufactures envelopes and distributes specialty paper. This woman-owned company opened in 1978 and has 45 employees at its Albuquerque, New Mexico facility. It is the only envelope manufacturer in the state of New Mexico.

**Situation:**

Desert Paper and Envelope was experiencing difficulties in its Cutting Department, which cuts and prepares the paper before it is placed on the envelope manufacturing machines. Backlogs in the Cutting Department led to increasingly late customer deliveries. Internally, people were frustrated and there was a great deal of finger pointing. The company's owner, Ms. Ella Leeper, knew the problem needed to be resolved without wasting any more time on blame, so she contacted the New Mexico Manufacturing Extension Partnership (New Mexico MEP), a NIST MEP network affiliate, for assistance.

**Solution:**

New Mexico MEP worked with members of the Cutting Department and the management of Desert Paper and Envelope to analyze the reasons for the backlog and late deliveries. New Mexico MEP determined that travel--the distance employees and/or materials move in the process--within the Cutting Department was excessive. It was standard practice to release jobs to Cutting and push them into the Envelope Manufacturing Department. New Mexico MEP also discovered that the employees operating the envelope folding machines were rearranging the order in which jobs were done to avoid changeovers on the envelope folding machines. Additionally, the Planning Department was releasing orders to the Cutting Department before the paper was available to cut.

New Mexico MEP conducted a kaizen event to organize the Cutting Department and reduce wasted movement of materials and personnel. The company implemented a pull system so that paper would not be cut until it was needed at the envelope folding machines. The Planning Department instituted a checklist to ensure the paper was available before releasing jobs to manufacturing.

**Results:**

Reduced late deliveries by 50 percent.  
Reduced finished goods inventory by 35 percent.

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Reduced work-in-process by 50 percent.

Improved machine reliability by 50 percent by creating more time for maintenance.

Reduced pre-print problems by 75 percent.

Improved the percentage of parts made correctly the first time (first pass yield) by 40 percent.

Reduced motion per cutting job from 1900 feet to 600 feet.

Reduced overtime by 80 percent, thereby decreasing employee stress levels and improving morale.

### **Testimonial:**

"[Thanks to the New Mexico Manufacturing Extension Partnership] the effects of lean on our company are all encompassing. Stress levels are down while production and morale continue to climb. When the economy turns around we will be positioned to handle new growth."

Ella Leeper, Owner